



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-867]

Large Power Transformers from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2016-2017

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Hyundai Heavy Industries Co., Ltd. (HHI) and Hyundai Electric & Energy Systems Co. (HEES) (collectively, Hyundai) made sales of subject merchandise at less than normal value, and that Hyosung Corporation (Hyosung) did not make sales of subject merchandise at less than normal value, during the period of review (POR) August 1, 2016, through July 31, 2017. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Joshua DeMoss, Tyler Weinhold, or John Drury, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3362, (202) 482-1121, or (202) 482-0195, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce initiated this review on October 16, 2017.¹ We selected two mandatory respondents in this review, Hyosung and HHI.² Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. The revised deadline for the preliminary results of this review is August 31, 2018.³ For a more detailed description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum, dated concurrently with these results and hereby adopted by this notice.⁴

The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). Access to ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. A list of topics discussed in the Preliminary

¹ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 48051 (October 16, 2017) (*Initiation Notice*).

² In accordance with Commerce's decision in the LPTs from Korea changed circumstances review, Commerce has determined that HEES is the successor-in-interest to HHI. *See Large Power Transformers from the Republic of Korea: Notice of Preliminary Results of Antidumping Duty Changed Circumstances Review*, 83 FR 24973 (May 31, 2018) (LPTs from Korea CCR) (unchanged in *Large Power Transformers***Error! Main Document Only.** *from the Republic of Korea: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, signed August 28, 2018; pending publication).

³ *See* Memorandum for The Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

⁴ *See* Memorandum to Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, from James Maeder, Senior Director, performing the duties of Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled "Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review: Large Power Transformers from the Republic of Korea; 2016-2017" (Preliminary Decision Memorandum), dated concurrently with this notice.

Decision Memorandum is attached as an Appendix to this notice. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

The scope of this order covers large liquid dielectric power transformers having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete. The merchandise subject to the order is currently classified in the Harmonized Tariff Schedule of the United States at subheadings 8504.23.0040, 8504.23.0080 and 8504.90.9540. This tariff classification is provided for convenience and Customs purposes; however, the written description of the scope of the order is dispositive.⁵

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Facts Available

Pursuant to section 776(a) of the Act, Commerce is preliminarily relying upon facts otherwise available to assign an estimated weighted-average dumping margin to Hyundai in this review because Hyundai withheld necessary information that was requested by Commerce, thereby significantly impeding the conduct of the review. Further, Commerce preliminarily determines that Hyundai failed to cooperate by not acting to the best of its ability to comply with requests for information and, thus, Commerce is applying adverse facts available (AFA) to

⁵ The full text of the scope of the order is contained in Preliminary Decision Memorandum.

Hyundai, in accordance with section 776(b) of the Act. For a full description of the methodology underlying our conclusions regarding the application of AFA, *see* the Preliminary Decision Memorandum.

Rate for Non-Selected Companies

In accordance with the U.S. Court of Appeals for the Federal Circuit's decision in *Albemarle Corp. v. United States*,⁶ we are applying to the non-selected companies the rate preliminarily applied to Hyosung in this administrative review.⁷ This is the only rate determined in this review for individual respondents and, thus, should be applied to the three non-selected companies under section 735(c)(5)(B) of the Act. For a detailed discussion, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

We preliminarily determine that, for the period August 1, 2016, through July 31, 2017, the following weighted-average dumping margins exist:⁸

⁶ *See Albemarle Corp. v. United States*, 821 F.3d 1345 (Fed. Cir. 2016).

⁷ *See, e.g., Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe (Under 4 1/2 Inches) from Japan: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2014-2015*, 81 FR 45124, 45124 (July 12, 2016), unchanged in *Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe (Under 4 1/2 Inches) from Japan: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2014-2015*, 81 FR 80640, 80641 (November 16, 2016).

⁸ As AFA, we preliminarily assign Hyundai a dumping margin of 60.81 percent, an AFA rate used in the previous review. *See Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2014-2015*, 82 FR 13432 (March 13, 2017).

Producer/Exporter	Weighted-Average Dumping Margin (percent)
Hyosung Corporation	0.00
Hyundai Heavy Industries Co., Ltd./Hyundai Electric & Energy Systems Co., Ltd.	60.81
Iljin Electric Co., Ltd.	0.00
Iljin	0.00
LSIS Co., Ltd.	0.00

Disclosure and Public Comment

Commerce will disclose to parties to the proceeding any calculations performed in connection with these preliminary results of review within five days after the date of publication of this notice.⁹ Commerce will announce the briefing schedule to interested parties at a later date. Interested parties may submit case briefs on the deadline that Commerce will announce.¹⁰ Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days from the deadline date for the submission of case briefs.¹¹

Parties who submit case or rebuttal briefs in this proceeding are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹² Case and rebuttal briefs should be filed using ACCESS.¹³ Case and rebuttal briefs must be served on interested parties.¹⁴ Executive summaries should be limited to five pages total, including footnotes.

⁹ See 19 CFR 351.224(b).

¹⁰ See 19 CFR 351.309(c)(1)(ii) and (d)(1).

¹¹ See 19 CFR 351.309(d)(1) and (2).

¹² See 19 CFR 351.309(c)(2).

¹³ See generally 19 CFR 351.303.

¹⁴ See 19 CFR 351.303(f).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹⁵ Parties should confirm the date, time, and location of the hearing two days before the scheduled date.

Commerce intends to publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief, no later than 120 days after publication of these preliminary results, unless extended.¹⁶

Assessment Rates

Upon completion of this administrative review, Commerce shall determine, and Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries. If a respondent's weighted-average dumping margin is not zero or *de minimis* in the final results of this review and the respondent reported reliable entered values, we will calculate importer-specific *ad valorem* assessment rates for the merchandise based on the ratio of the total amount of dumping calculated for the examined sales made during the period of review to each importer to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). If the respondent has not reported reliable entered values, we will calculate a per-unit assessment rate for each importer by dividing the total amount of dumping for the examined sales made during

¹⁵ See 19 CFR 351.310(d).

¹⁶ See section 751(a)(3)(A) of the Act; 19 CFR 351.213(h).

the period of review to that importer by the total sales quantity associated with those transactions. Where an importer-specific *ad valorem* assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties in accordance with 19 CFR 351.106(c)(2). If the respondent's weighted-average dumping margin is zero or *de minimis* in the final results of review, we will instruct CBP not to assess duties on any of its entries in accordance with the *Final Modification for Reviews*, i.e., “{w}here the weighted-average margin of dumping for the exporter is determined to be zero or *de minimis*, no antidumping duties will be assessed.”¹⁷

If the preliminary results are unchanged for the final results, we will instruct CBP to apply an *ad valorem* assessment rate of 60.81 percent to all entries of subject merchandise during the period of review which were produced and/or exported by Hyundai.

Regarding entries of subject merchandise during the period of review that were produced by Hyosung and Hyundai and for which they did not know that the merchandise was destined for the United States, we will instruct CBP to liquidate un-reviewed entries at the all-others rate of 22.00 percent, as established in the less-than-fair-value investigation of the order, if there is no rate for the intermediate company(ies) involved in the transaction.¹⁸ For a full discussion of this matter, see *Assessment Policy Notice*.¹⁹

We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

¹⁷ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101, 8102 (February 14, 2012) (*Final Modification for Reviews*).

¹⁸ See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

¹⁹ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (*Assessment Policy Notice*).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Hyosung and Hyundai and other companies listed above will be equal to the weighted-average dumping margin established in the final results of this administrative review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or in the investigation but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be the all-others rate of 22.00 percent, the rate established in the investigation of this proceeding.²⁰ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

²⁰ See *Large Power Transformers from the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: August 31, 2018.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

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- [FR Doc. 2018-19428 Filed: 9/6/2018 8:45 am; Publication Date: 9/7/2018]